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Annual Report for the period 5th October 2015 to 4th October 2016

'Henty River'

EL13/2011

Vol. 1 of 1

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MANAGER & OPERATOR: Ltd.	Diversified Minerals Pty.
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DATE:	December 2016
MAP SHEETS: 1:100k Sophia (8014)	1:25k Oceana (3635)
GEOGRAPHIC COORDS (GDA94):	Min East: 374,000mE Max East: 379,000mE Min North: 5,350,500mN Max North: 5,358,000mN
COMMODITY(s):	Basemetals, Au

ABSTRACT

EL 13/2011 (Henty River) was granted to Unity Mining Ltd on the 4th of October 2011, for a period of five years.

Some rock chip sampling was completed on the tenement during the reporting period and this is reported here.

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1. Introduction

This report records the work completed on EL 13/2011 (Henty River) for the period from October 2015 to October 2016.

The reader is referred to Stonestreet (2014) for a comprehensive description of the regional, local geology and alteration and mineralisation.

1.1 Tenure

EL13/2011, the Henty River exploration lease, was acquired in 2011 by Unity Mining Ltd after a successful tender. The tenement expired on the 5th October 2016 and application for extension of one year has been made.

The license area is all crown land designated as part of the Mt Dundas Regional Reserve, HEC and State Forest, all of which are available for exploration under the Mineral Resources Act 1995. Any disturbances in Regional Reserve require notification and approval from the Mineral Exploration Working Group (MEWG). Further conditions of exploration are outlined in the Exploration Code of Practice (produced by Mineral Resources of Tasmania (MRT)).

The land vested in the HEC includes the Anthony, Howards and Bradshaws Road access.

1.2 Location and Access

Henty River (EL13/2011) occurs midway between Queenstown and Tullah on Tasmania's West Coast. The EL's eastern boundary abuts Unity Mining lease, EL28/2001 (Figure 1). Local access to the tenement is off the Howards and Anthony Roads and the Zeehan highway. Much of the tenement is difficult to access due to dense forestry and degradation of existing roads and bush tracks and the steep nature of the terrain.

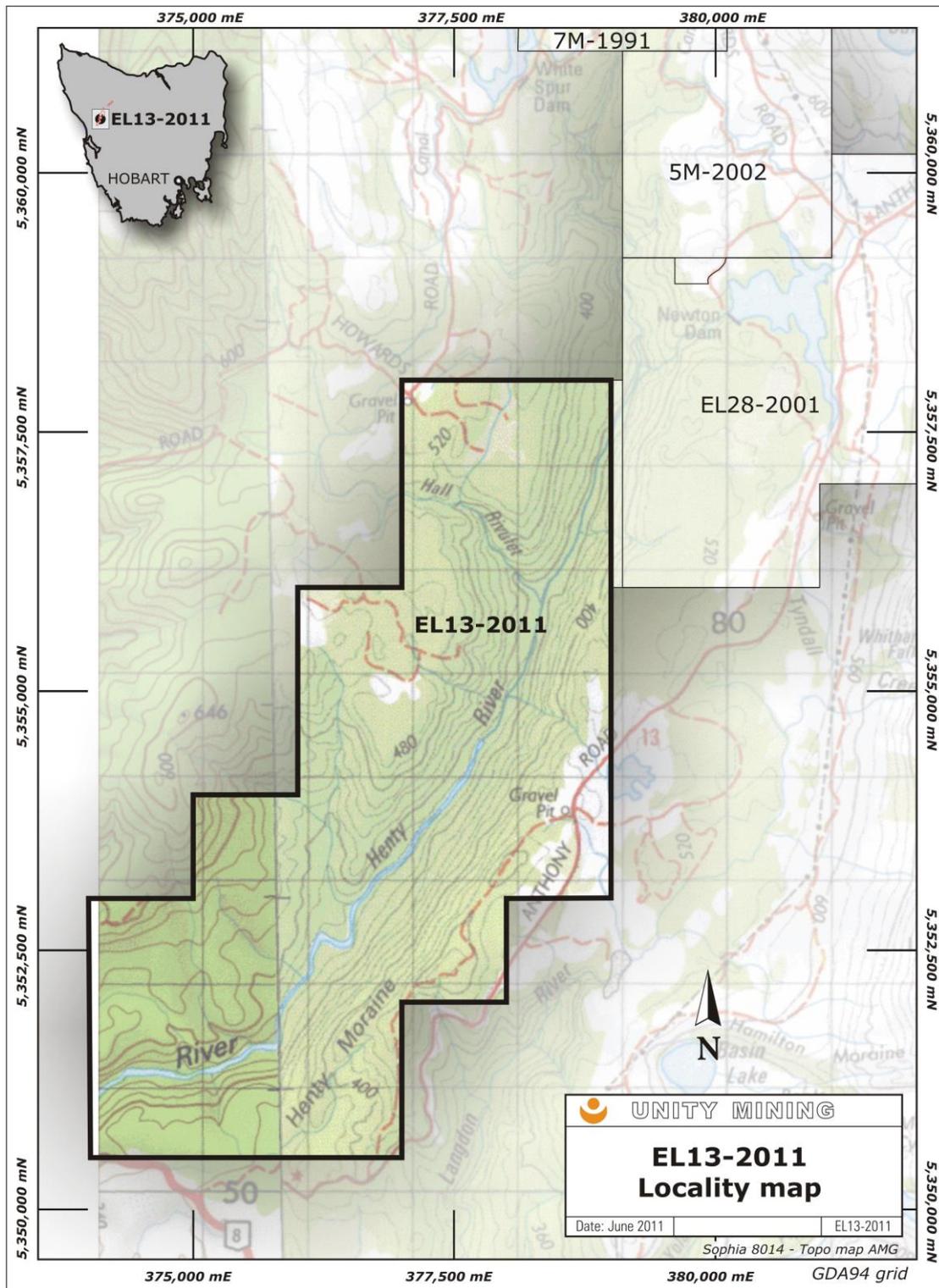


Figure 1: Location of EL13/2011 (map in GDA 94 projection).

2. Previous Work

A comprehensive account of previous work by other companies can be found in Stonestreet (2014).

Previous work by Unity Mining Ltd. has included several days were spent checking the access along Howards Road and subsidiary tracks in the northwest margin of the lease and walking down into the gorge itself. Also access into Bradshaws Road and the Henty Adits was checked on foot; the former area would require minimal work with a dozer to allow access from the southwest margin on the lease.

3. Work completed during the reporting period.

The aeromagnetic and geological maps were used to highlight areas of the tenement that resemble the Henty setting. This setting combines structures intersecting the Henty fault with a favourable stratigraphy.

The RTP_1VD magnetic image was used to identify structures and this was overlaid on the Geological Survey 1:25,000 mapping. See figures 2 and 3 below.

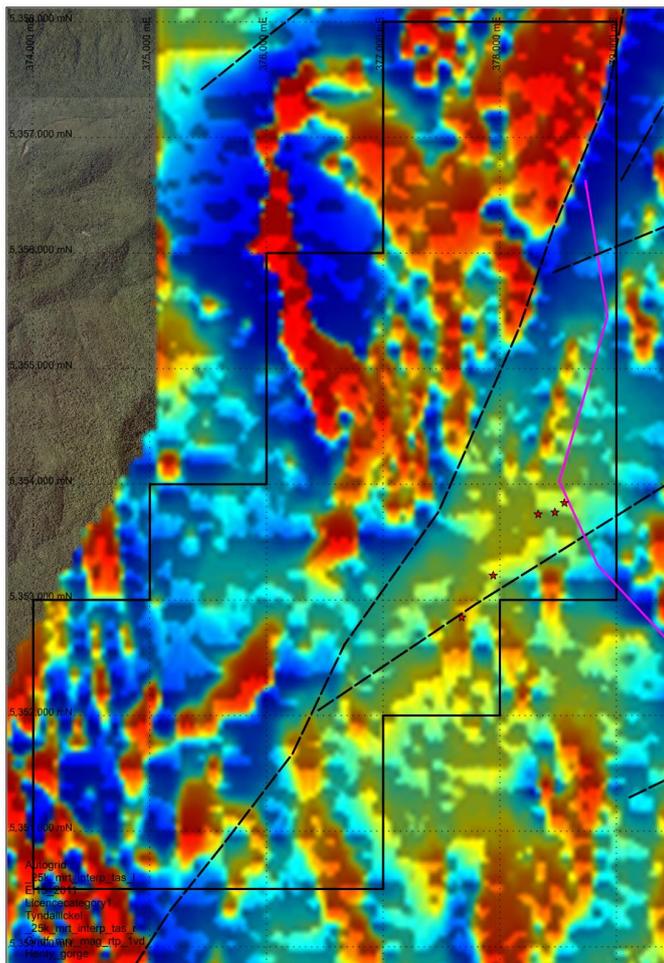


Figure 2 Structure identified on the RTP_1VD aeromagnetic image. Co-ordinates are MGA 94, Zone 55.

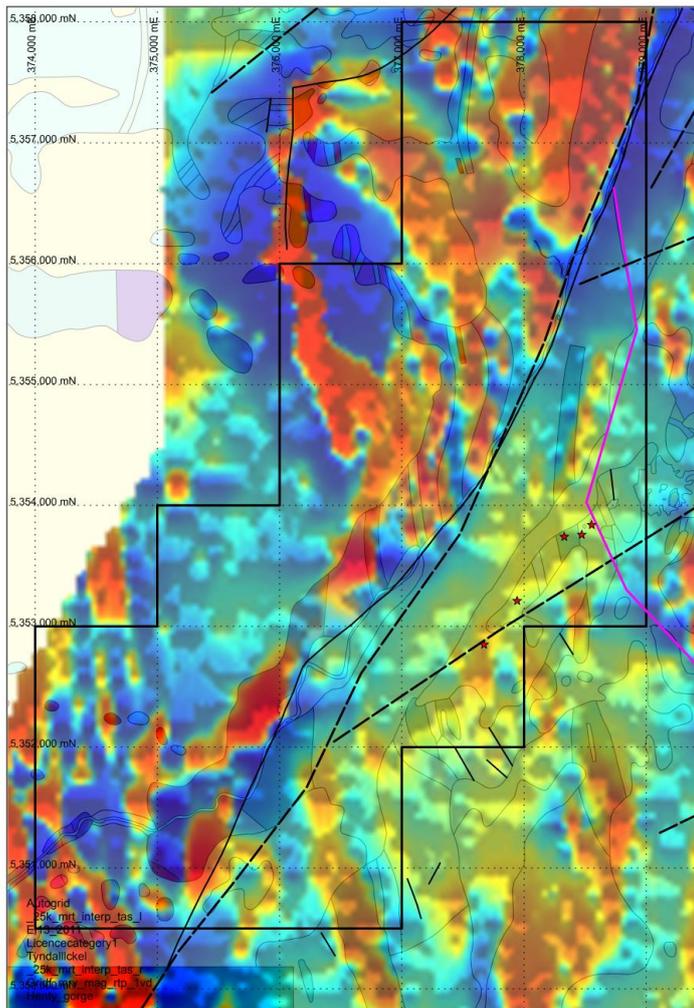


Figure 3 1:25,000 geology map overlain by the magnetic RTP_1VD image. Solid black lines are structures from the geological map, dashed lines are structures interpreted from the magnetics. The purple line marks the boundary between the Central Volcanic Sequence unit and the Yolande River sequence (sediments and volcanics). Coordinates are MGA 94, Zone 55.

The eastern contact of a unit mapped as Central Volcanics Sequence with the Yolande Formation was identified as an area of stratigraphic potential (resembling the contact between Central Volcanics Sequence and Tyndall Group at Henty Mine).

A structure linking the Henty Fault with the Great Lyell Fault was shown to be in close proximity to this contact, so this area was targeted for rockchip sampling. An old track provided reasonable access to the area. Figure 4 shows the location of the samples.



Figure 4. Location of rock chip samples (red stars).

4. Results

Assays of the rock chip samples failed to return any anomalous gold or base metals. The results are shown in the table below.

Analyte	Recvd Wt. kg	Au ppm	Ag ppm	Bi ppm	Cu ppm	Mo ppm	Pb ppm	Zn ppm		
Description	0.02	0.01	0.2	2	1	1	2	2	MGA E	MGA N
HR01	0.86	<0.01	<0.2	<2	3	<1	<2	2	377670	5352900
HR02	1.43	<0.01	<0.2	<2	1	<1	5	17	377940	5353210
HR03	0.88	0.01	<0.2	<2	4	1	5	7	378330	5353740
HR04	1.59	<0.01	<0.2	<2	1	<1	2	5	378470	5353790
HR05	0.77	<0.01	<0.2	<2	2	<1	2	9	378540	5353830

Table 1 Location and assay results for rock chip samples.

The rock sampling was very limited by available outcrop but no alteration was observed in the area either, though this could well be topographically recessive and therefore obscured.

5. Conclusion

Further work is required to target alteration and mineralisation in parts of the tenement that are structurally and stratigraphically similar to Henty. Soil sapling is a preferable method to rock chip sampling as it covers a wider area, including areas lacking outcrop.

6. Expenditure 2015/16 Reporting Period

Total Expenditure for the 2015/16 Reporting Period is set out in the table below.

Expenditure EL 13/2011 October 2015- October 2016	\$
Geology	3000
Geochemistry	250
Subtotal (inc. GST)	3250

Table 2: EL13/2011 Henty River Exploration Expenditure 2015/16.

7. References

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